

CORRECTED FISCAL NOTE
SB 149 - HB 522

April 29, 2005

SUMMARY OF BILL: Requires the Department of Transportation (TDOT) to construct and administer all specific highway signs and only contract for construction or administration of a specific service sign if the commissioner determines it to be in the best interest of the department. Removes annual gross receipts royalty payments to the state for nonconforming billboards.

ESTIMATED FISCAL IMPACT:

On February 8, 2005, we issued a fiscal note indicating *a net increase to state revenues of \$400,000 and a increase to state expenditures of \$300,000*. Based on additional information, the estimated fiscal impact of this bill is:

(CORRECTED)

Increase State Revenues – Net Impact - \$400,000 - FY09 / Highway Fund

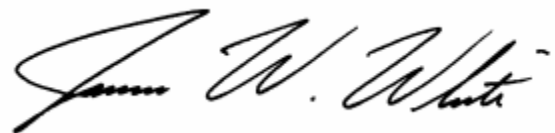
Increase State Expenditures - \$300,000 - FY09 / Highway Fund

Assumptions:

- Currently, TDOT constructs all specific service signs and contracts for administrative services relating to sign program.
- This bill requires TDOT to construct service signs and administer program unless the commissioner determines it is in the department's best interest to contract for such services.
- Four new staff members, including travel, to administer program estimated to increase state expenditures by \$260,000.
- Manufacture of logos estimated to increase state expenditures \$40,000.
- Estimated decrease in state revenues of \$600,000 from the elimination of gross receipts royalty payments.
- Estimated increase in state revenues of \$1,000,000 that would be generated from administering sign program.
- Bill language "if the commissioner deems it would be in the best interest of the department" may allow the commissioner to bypass the competitive bidding process.
- Since a new contract was recently awarded, this bill would not take effect until 2009.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director